

Education for the 21st Century:□ Economists tell us that strategic investments in education are one of the best ways to help America become more productive and competitive. This bill will make key investments to help states avoid teacher layoffs and other damaging education cuts in this recession, help make college more affordable, and make other key education investments.

- Preventing Teacher Layoffs and Cuts in Education and Other Key Services by the States
 - Prevents teacher layoffs and other cutbacks in education and other key services, by establishing a \$53.6 billion State Fiscal Stabilization Fund, including \$39.5 billion to local school districts using existing funding formulas, which can be used for preventing cutbacks, preventing layoffs, school modernization, or other purposes; \$5 billion to states as bonus grants for meeting key performance measures in education; and \$8.8 billion to states for high priority needs such as public safety and other critical services, which may include education and for modernization, renovation, and repairs of public school facilities and institutions of higher education facilities.
- Making College More Affordable
 - Increases the higher education tax credit to a maximum of \$2,500. Also makes it available to nearly 4 million low-income students who had not had any access to the higher education tax credit in the past – by making it partially refundable.
 - Increases the maximum Pell Grant by \$500, for a maximum of \$5,350 in 2009 and \$5,550 in 2010.
 - Adds \$200 million to the vital College Work-Study program.
- Investing in Early Childhood Development
 - Provides \$1.1 billion for Early Head Start and \$1 billion for Head Start, which provide comprehensive development services to low-income infants and preschool children – thereby providing services for 124,000 additional infants and children.
 - Provides \$2 billion for the Child Care Development Block Grant to provide child care services to an additional 300,000 children in low-income families while their parents go to work.
- Providing Other Key Education Investments
 - Provides \$13 billion for Title I grants to help disadvantaged kids reach high academic standards – ensuring that in this period of tight state and local budgets these vital services are maintained.
 - Provides \$12.2 billion for grants for IDEA (Special Education) to increase the federal share of these costs, and prevent these mandatory costs from forcing states to cut other areas of education.